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16 September 1974

MEMORANDUM FOR: Associate Deputy to the DCI for Intelligence Community

SUBJECT : Proposed Abolishment of the EIC Subcommittee on International Trade and Aid

1. As Chairman of the EIC I propose to abolish the Subcommittee on International Trade and Aid. This Subcommittee's sole function has been to produce the monthly and annual studies on economic and military aid of Communist countries to the Less Developed Countries. These studies are useful to many officials in Washington and overseas and I propose to continue them, but not under EIC auspices. Although several departments used to make a substantial contribution, in recent years these studies have come to be almost exclusively an OER effort. We will continue to seek from other USIB agencies whatever inputs they can make, but will avoid the time-consuming process of line-by-line coordination and elaborate subcommittee sessions. We will thereby gain both timeliness and flexibility. I expect no serious objection from either INR or DIA, those with the greatest interest.

2. The Subcommittee on Trade and Aid has been the only unit of the EIC engaged in finished intelligence production. I do not believe that the EIC should, as a normal matter, produce finished intelligence, although it might be appropriate to do so on an ad hoc basis. OER's chief function is to produce direct support to policymakers throughout the government and INR sees its primary role as supporting policymakers at State. The military intelligence units have an interest only in some narrow, specialized categories of economic intelligence. More cooperation with non-USIB members is desirable, but informal procedures are most effective. For example, we are consulting with State, Treasury, FRB,CIEP, and CEA on an OER study of the short-term economic prospects for the OECD countries.

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3. I believe that the EIC should concentrate on the important tasks of organizing and focusing guidance for economic collectors and should begin to examine the research programs of its members to improve communication between them, reduce unnecessary duplication, and generally enhance cooperation in this area. As I told Gerald Goldstein, the new Director of Economic Research in INR, I want EIC meetings to deal with important subjects, rather than with innocuous changes in wording in non-controversial papers.

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Chairman
Economic Intelligence Committee

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